Winners and losers from technological change and preferences for redistribution

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How does technological change affect preferences for redistribution? Most existing research on this question focuses on the ‘losers’ from technological change and, specifically, on the risk of future job loss from automation. There is little consensus in this body of work on whether automation risk increases redistributive demands. This literature has been characterised by the assumption that people more exposed to the risk of automation are more likely to support redistribution. But results have been inconclusive. This could be because people misperceive the automation risk they’re exposed to or don’t think of the welfare state (only) as an insurance device (or both). Because the effect of subjective and objective automation risk has been extensively explored, our contribution questions the insurance assumption and related material self-interest being at the core of individuals’ pref formation process. We focus on other-regarding preferences, such as perceptions of fairness and deservingness. We plan to conduct a vignette study with a large sample of respondents from the United States and present respondents with scenarios of “extraordinary” and “ordinary” winners of technological change as well as different kinds of “losers” to examine whether these impact people’s views. Then, we will measure fairness and deservingness beliefs and policy preferences on different ‘redistribution to’ and ‘redistribution from’ policies. We hypothesise that the generally low levels of support for redistribution in the age of tech change might have to do with the fact that the public only perceives particular groups as more deserving “redistribution to” policies (e.g. old people who should not be considered responsible for making a ‘wrong’ investment in education in their youth) or being subject to more redistribution from (e.g. the ultra-rich who gained a quasi-monopoly status in the tech world should be taxed more but not the ordinary winners). The results of this study will have implications for reforming the welfare state in the knowledge economy